

Supporting Statement for Paperwork Reduction Act Submissions
30 CFR Part 206, Subpart E—Indian Gas,
§ 206.178—How do I determine a transportation allowance?
(Form MMS-4295, Gas Transportation Allowance Report), and
§ 206.180—How do I determine an actual processing allowance?
(Form MMS-4109, Gas Processing Allowance Summary Report)
OMB Control Number 1010-0075
Current Expiration Date: October 31, 2004

General Instructions

The Supporting Statement, including the text of the notice to the public required by 5 CFR 1320.5(a)(i)(iv) and its actual or estimated date of publication in the *Federal Register*, must accompany each request for approval of a collection of information. The Supporting Statement must be prepared in the format described below, and must contain the information specified in Section A below. If an item is not applicable, provide a brief explanation. When Item 17 of the Form OMB 83-I is checked “Yes,” Section B of the Supporting Statement must be completed. OMB reserves the right to require the submission of additional information with respect to any request for approval.

Specific Instructions

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The Secretary of the U.S. Department of the Interior is responsible for collecting royalties from lessees who produce minerals from leased Federal and Indian lands. The Secretary is required by various laws to manage mineral resources production on Federal and Indian lands, collect the royalties due, and distribute the funds in accordance with those laws.

The Secretary also has an Indian trust responsibility to manage Indian lands and seek advice and information from Indian beneficiaries. The Minerals Management Service (MMS) performs the royalty management functions and assists the Secretary in carrying out the Department’s Indian trust responsibility. Applicable citations of the laws pertaining to mineral leases on Indian lands include 25 U.S.C. 396d (Chapter 12—Lease, Sale, or Surrender of Allotted or Unallotted Lands); 25 U.S.C. 2103 (Indian Mineral Development Act of 1982); and Public Law 97-451—Jan. 12, 1983 (Federal Oil and Gas Royalty Management Act of 1982) (Attachment 1).

When a company or an individual enters into a lease to explore, develop, produce, and dispose of minerals from Federal or Indian lands, that company or individual agrees to pay the lessor a share (royalty) of the value received from production from the leased lands. The lease creates a

business relationship between the lessor and the lessee. The lessee is required to report various kinds of information to the lessor relative to the disposition of the leased minerals. Such information is similar to data reported to private and public mineral interest owners and is generally available within the records of the lessee or others involved in developing, transporting, processing, purchasing, or selling of such minerals. The information collected includes data necessary to ensure that the royalties are paid appropriately.

The Secretary is required by 30 U.S.C. 1711 (Attachment 2) to establish a system to accurately determine product valuation, royalties, and other amounts due. Such a system requires the continued collection of published price bulletins, sales contracts (upon request), processing contracts (upon request), transportation contracts (upon request), and data necessary for MMS to verify the costs associated with the transportation and/or processing deductions. Failure to collect the data described in this information collection may result in the undervaluation of leased minerals.

Regulations at 30 CFR 206, Subpart E (Attachment 3), establish uniform product valuation and allowance policies for Indian leases. In some instances, these regulations require the lessees to provide information to support the product value for royalty purposes or allowances claimed. Without such information, we cannot evaluate the amount of royalties paid or the amount of allowances claimed. The MMS has developed product valuation and allowance policies as a part of our responsibility to establish criteria and accountability for revenues from mineral leases.

The MMS normally accepts gross proceeds accruing to the lessee under its arm's-length sales contract, less allowable deductions, as representing proper value for royalty purposes. We also accept, for royalty valuation purposes, the prices in other than arm's-length sales contracts, less applicable deductions, if the criteria in the benchmarks at 30 CFR 206.174(c) are met and provided that the value is not less than gross proceeds accruing to the lessee under 30 CFR 206.174(g).

Transportation Allowances—Under certain circumstances, lessees are authorized to deduct from royalty payments the reasonable actual costs of transporting the royalty portion of produced minerals from the lease to a processing or sales point not in the immediate lease area. Transportation allowances are part of the product valuation process MMS uses to determine if the lessee is reporting and paying the proper royalty amount.

Processing Allowances—When gas is processed for the recovery of gas plant products, lessees may claim a processing allowance. The MMS normally accepts the cost as stated in the lessee's arm's-length processing contract as being representative of the cost of the processing allowance. In those instances where gas is being processed through a lessee-owned plant, the lessee must base processing costs on the actual plant operating and maintenance expenses, depreciation, and a reasonable return on investment. The allowance is expressed as a cost per unit of individual gas plant products. Lessees may take processing allowances as a deduction from royalty payments.

The fragmented nature of the oil and gas industry and potential changes in (1) oil and gas production areas and lease ownership and/or operation; (2) pipeline construction, operation, or

ownership; and (3) gas processing, refinery operations, and producer-plant relationships are factors that affect how many Indian lessees may take a transportation or processing allowance. Although MMS had only two respondents (companies) for the review period, we are renewing this information collection request because of the possibility of more than nine respondents who may each have numerous leases and/or agreements impacted by changes in transportation and/or processing agreements.

We changed the title of this information collection request (ICR) to clarify the regulatory language we are covering under 30 CFR Part 206. The previous title was “Gas Processing and Transportation Allowances.” The new title is “30 CFR Part 206, Subpart E—Indian Gas, § 206.178—How do I determine a transportation allowance? (Form MMS-4295, Gas Transportation Allowance Report), and § 206.180—How do I determine an actual processing allowance? (Form MMS-4109, Gas Processing Allowance Summary Report).”

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection. [Be specific. If this collection is a form or a questionnaire, every question needs to be justified.]

The MMS and tribal personnel use the information collected to evaluate the reasonableness of allowances reported and claimed by lessees. Under Section 202 of the Federal Oil and Gas Royalty Management Act of 1982, certain tribes have been given audit authority by the Secretary (30 U.S.C. 1732). The MMS reimburses the tribes for their audit work under this agreement. Only those lessees submitting arm's-length contracts or allowance forms, as appropriate, are allowed to take deductions from royalties due. The determination of the appropriate product value or allowance rate directly affects royalties due. Tribes given audit authority use the data submitted on the allowance forms and contained in allowance contracts for verification purposes. The tribes urge MMS to continue to require routine submission of allowance information.

Transportation Allowances—Regulations at 30 CFR 206.177 provide that where the value of the gas for royalty purposes has been determined at a point remote from the lease, MMS will allow a reasonable deduction for the transportation of the royalty gas. The lessee must base the allowance on the reasonable, actual costs incurred in transporting the unprocessed gas, residue gas, or gas plant products. Provisions for determining transportation allowances are at 30 CFR 206.178. The MMS does not require approval of a transportation allowance before a lessee takes a deduction. However, to take a transportation deduction for an arm's-length contract, the lessee must submit a copy of the contract and report all subsequent amendments on the Report of Sales and Royalty Remittance, Form MMS-2014 (OMB Control Number 1010-0140, expiration date October 31, 2006) within 2 months after claiming the allowance, as stipulated at 30 CFR 206.178(a)(1)(i). In order to take a transportation deduction for a non-arm's-length contract or no contract, a lessee must submit Form MMS-4295, Gas Transportation Allowance Report and supporting schedules (Attachment 4), within 3 months after the end of the 12-month period in which the transportation allowance applies, as stipulated at 30 CFR 206.178(b)(1)(ii).

Information required on Form MMS-4295 includes the following: the lessee's (payor's) name and address; payor code; lease and/or agreement number; and product code. Supporting data

includes the quantity of royalty gas, costs incurred transporting royalty gas, and the allowance rate determined by dividing costs incurred by quantity of royalty gas transported. When transporting multiple products and/or utilizing multiple transportation systems, the lessee must determine the deduction for transportation costs based on the cost of transporting each product through each individual transportation system.

Processing Allowances—Regulations at 30 CFR 206.179 provide that the lessee may deduct the reasonable actual processing costs from the value of the gas plant products (206.179(a)); must allocate among the gas plant products (206.179(b)); and may not exceed 66 2/3 percent of the value of each gas plant product (206.179(c)). Provisions for determining the actual processing allowance are found at 30 CFR 206.180. The MMS does not require approval of a processing allowance before a lessee takes a deduction. However, to take a processing deduction for an arm's-length contract, the lessee must submit a copy of the contract and report all subsequent amendments on Form MMS-2014 within 2 months after claiming the allowance, as stipulated at 30 CFR 206.180(a)(1)(i). In order to take a processing deduction for a non-arm's-length contract or no contract, a lessee must submit Form MMS-4109, Gas Processing Allowance Summary Report and supporting schedules (Attachment 5), within 3 months after the end of the 12-month period in which the processing allowance applies, as stipulated at 30 CFR 206.180(b)(1)(ii).

Information required on Form MMS-4109 includes the following: the lessee's (payor's) name and address; payor code; lease and/or agreement number; and product code. Supporting data includes the quantity of royalty gas, costs incurred for processing gas plant products, and the allowance rate determined by dividing costs incurred by the quantity of the gas plant products processed. The completed Form MMS-4109 summarizes actual operating, maintenance, and overhead costs and a summary of depreciation and undepreciated capital investment costs.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden [and specifically how this collection meets GPEA requirements].

The MMS Minerals Revenue Management (MRM) program is moving to fully implement the Government Paperwork Elimination Act with our reengineered business processes. Respondents may submit Forms MMS-4295 and MMS-4109 electronically as an e-mail attachment; however, at this time we have only two respondents, and they have not submitted the forms electronically. Further information technology enhancements are not applicable for this information collection at this time because we receive very few submissions of Forms MMS-4295 and MMS-4109 per year. It is not cost effective to enhance the current computer system design to process a minimum number of forms. The forms are available on the MMS website at http://www.mrm.mms.gov/Laws_R_D/FRNotices/FRInfColl.htm.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

No other Federal or State agency collects the same or similar information. The primary information necessary for the evaluation of a specific transportation and/or processing allowance proposal is available only within the records of the applicant, and the use of such data is unique to our mission. No other adequate information is available that can be used to determine the reasonableness of gas transportation or processing allowances.

5. If the collection of information impacts small businesses or other small entities (Item 5 of Form OMB 83-I), describe any methods used to minimize burden.

This collection of information does not have a significant economic effect on a substantial number of small entities because there are very few submissions of Forms MMS-4295 and MMS-4109. Although small organizations are among the potential respondents, MMS has carefully analyzed its requirements to ensure that the information requested is the minimum necessary and places the least possible burden on industry. We provide toll-free telephone assistance and schedule annual training free of charge in various geographic areas to assist reporters in complying with valuation and reporting requirements.

6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

By delegation of the Secretary's trust responsibilities under Indian lease terms, MMS is responsible for ensuring the proper valuation of production from Indian leases. Not collecting the information may result in loss of royalty payments to the Indian lessor due to royalties not being collected properly in circumstances where the lessee deducts allowances from the value of production.

Respondents must submit a copy of their arm's-length transportation and processing contract(s) and all subsequent amendments to the contract(s) within 2 months of the date we receive your report claiming the allowance on Form MMS-2014. Respondents must submit new non-arm's-length transportation and processing allowance forms at least annually and thereafter as new arrangements occur. Not collecting this information may hinder our ability to ascertain the reasonableness of the costs claimed for transportation and processing allowances and to ensure that lessees pay royalties properly.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

(a) requiring respondents to report information to the agency more often than quarterly.

Not applicable in this collection.

(b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it.

Not applicable in this collection.

(c) requiring respondents to submit more than an original and two copies of any document.

Not applicable in this collection.

(d) requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than 3 years.

In accordance with 30 U.S.C. 1713(b), Indian oil and gas records must be maintained for 6 years after the records are generated unless the Secretary notifies the record holder that such records must be maintained for a longer period due to an ongoing audit or investigation.

(e) in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study.

Not applicable in this collection.

(f) requiring the use of statistical data classification that has been reviewed and approved by OMB.

There are no special circumstances with respect to 5 CFR 1320.5(d)(2)(v) through (viii) as the collection is not a statistical survey and does not use statistical data classification.

(g) that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use.

This collection does not include a pledge of confidentiality not supported by statute or regulation.

(h) requiring respondents to submit proprietary trade secrets or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

This collection does not require proprietary, trade secret, or other confidential information not protected by agency procedures. Information is protected in accordance with standards identified in Item 10 below.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice [and in response to the PRA statement associated with the collection

over the past 3 years] and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. [Please list the names, titles, addresses, and phone numbers of persons contacted.] Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years—even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

As required in 5 CFR 1320.8(d), MMS published a 60-day review and comment notice in the *Federal Register* on April 26, 2004 (69 FR 22548) (Attachment 6). Also, 30 CFR 250.199 and the Paperwork Reduction Act statement on the Forms MMS-4295 and MMS-4109 explain that MMS will accept comments at any time on the information collected and the burden. We display the OMB control number and provide the address for sending comments to MMS. We received no comments in response to the *Federal Register* notice, no unsolicited comments from potential respondents covered under these regulations, and no comments from those who submit these forms.

We contacted two companies (the only respondents at this time) and revised our burden hour estimates based on information obtained. The chart in Item 12 listing the estimated burden hours reflects the input of the companies identified below.

Thomas J. Murphy
Rim Southwest Corporation
5 Inverness Drive East
Englewood, CO 80112
(303) 799-9828

Daniel Kong
El Paso Production Oil and Gas Company
Nine Greenway Plaza
Houston, TX 77046
(832) 676-3993

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

We will not provide any payment or gift to respondents in this collection.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Commercial or financial information provided to MMS, relative to minerals removed from Federal and Indian leases, may be proprietary. Trade secrets and proprietary and other information are protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982, as amended (30 U.S.C. 1733); the Freedom of Information Act (5 U.S.C. 552(b)(4)) and its implementing regulations (43 CFR 2); and 30 CFR 250.196, "Data and information to be made available to the public."

In addition, the Indian Mineral Development Act of 1982 (25 U.S.C. 2103) provides that all information related to any Indian minerals agreement covered by the Act in the possession of the Department shall be held as privileged proprietary information. Storage of proprietary information and access to it are controlled by strict security measures.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

The collection does not include sensitive or private questions.

12. Provide estimates of the hour burden of the collection of information. The statement should:

(a) Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.

Although we had only 2 respondents during the review period, we have a reasonable expectation of approximately 50 respondents because we are including reporting requirements for arm's-length contracts, which were overlooked in the previous renewal. Each company may file numerous responses for transportation and/or processing allowances due to arm's-length and/or non-arm's-length contracts. Responses are filed annually and on occasion. The revised annual reporting burden for gas transportation and processing allowances for both the forms and arm's-length and non-arm's-length contracts is 285 hours. Through customer contact with two companies, we have obtained more accurate estimates of the time required to provide the information requested. The burden estimates include the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the information.

(b) If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of Form OMB 83-I.

This information collection has two forms, Forms MMS-4295 and MMS-4109, and supporting schedules.

(c) Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.

We expect approximately 92 responses from 50 respondents (Indian lessees). We estimate the total annual burden is 285 reporting hours. Based on a cost factor of \$50 per hour, we estimate the total annual cost to industry is \$14,250 (\$50 x 285 hours = \$14,250). Respondents submit Forms MMS-4295 and MMS-4109 annually and arm's-length and non-arm's-length contracts on occasion. There are no additional recordkeeping costs. The following chart shows the estimated burden hours by CFR section and paragraph:

SECTION A.12 BURDEN BREAKDOWN

Citation 30 CFR 206 Subpart E	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
<i>Indian Gas Transportation Allowances</i>				
206.178 (a)(1)(i)	How do I determine a transportation allowance? <i>(a) Determining a transportation allowance under an arm's-length contract. (1) * * *</i> <i>(i) * * * You are required to submit to MMS a copy of your arm's-length transportation contract(s) and all subsequent amendments to the contract(s) within 2 months of the date MMS receives your report which claims the allowance on Form MMS-2014.</i>	1	50	50

Citation 30 CFR 206 Subpart E	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
206.178 (a)(1)(iii)	How do I determine a transportation allowance? (a) <i>Determining a transportation allowance under an arm's-length contract.</i> (1) * * * (iii) If MMS determines that the consideration paid under an arm's-length transportation contract does not reflect the value of the transportation because of misconduct by or between the contracting parties, or * * *. In these circumstances, MMS will notify you and give you an opportunity to provide written information justifying your transportation costs.	PRODUCE RECORDS The Office of Regulatory Affairs (ORA) determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
206.178 (b)(1)(ii)	How do I determine a transportation allowance? * * * (b) <i>Determining a transportation allowance under an arm's-length contract or no contract.</i> (1) * * * (ii) * * *. You must submit the actual cost information to support the allowance to MMS on Form MMS-4295, Gas Transportation Allowance Report, within 3 months after the end of the 12-month period to which the allowance applies. * * *	15	7	105
206.178 (d)(1)	How do I determine a transportation allowance? (d) <i>Reporting your transportation allowance.</i> (1) If MMS requests, you must submit all data used to determine your transportation allowance. * * *	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
Subtotal			57	155

Citation 30 CFR 206 Subpart E	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
Indian Gas Processing Allowances				
206.180 (a)(1)(i)	How do I determine an actual processing allowance? (a) <i>Determining a processing allowance if you have an arm's-length processing contract.</i> (1) * * * (i) * * * You have the burden of demonstrating your contract is arm's-length. You are required to submit to MMS a copy of your arm's-length contract(s) and all subsequent amendments to the contract(s) within 2 months of the date MMS receives your first report that deducts the allowance on the Form MMS-2014.	1	30	30
206.180 (a)(1)(iii)	How do I determine an actual processing allowance? (a) <i>Determining a processing allowance if you have an arm's-length processing contract.</i> (1) * * * (iii) If MMS determines that the consideration paid under an arm's-length processing contract does not reflect the value of the processing because of misconduct by or between the contracting parties, or * * *. In these circumstances, MMS will notify you and give you an opportunity to provide written information justifying your processing costs.	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
206.180 (b)(1)(ii)	How do I determine an actual processing allowance? * * * (b) <i>Determining a processing allowance if you have a non-arm's-length contract or no contract.</i> (1) * * * (ii) * * * You must submit the actual cost information to support the allowance to MMS on Form MMS-4109, Gas Processing Allowance Summary Report, within 3 months after the end of the 12-month period for which the allowance applies. * * *	20	5	100

Citation 30 CFR 206 Subpart E	Reporting and Recordkeeping Requirement	Hour Burden	Average Number of Annual Responses	Annual Burden Hours
206.180 (c)(1)	How do I determine an actual processing allowance? * * * (c) <i>Reporting your processing allowance.</i> (1) If MMS requests, you must submit all data used to determine your processing allowance. * * *	PRODUCE RECORDS The ORA determined that the audit process is not covered by the PRA because MMS staff asks non-standard questions to resolve exceptions.		0
Subtotal			35	130
TOTAL BURDEN			92	285

13. Provide an estimate of the total annual [non-hour] cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).

(a) The cost estimate should be split into two components: (1) a total capital and start-up cost component (annualized over its expected useful life) and (2) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information [including filing fees paid]. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.

(b) If cost estimates are expected to vary widely, agencies should present ranges of cost burden and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.

(c) Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.

We have identified no paperwork cost burdens for this collection of information.

14. Provide estimates of annualized cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

We estimate the Federal Government will spend an average of 184 hours (2 hours x 92 responses) annually to review the required information. The time estimate includes maintaining a log of allowance forms filed by payor, filing the forms, and verifying the data in the compliance process. Based on a cost factor of \$50 per hour, the annualized cost to the Federal Government is \$9,200 (184 hours x \$50 = \$9,200).

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the Form OMB 83-I.

Item 13, Form OMB 83-I

The current OMB inventory for this collection of information is 750 burden hours. We are decreasing the burden hours to 285 hours, a total adjustment of 465 hours, which is primarily the result of a program change and re-estimating the number of respondents and the amount of time required to respond, based on our consultations with two companies. There is a negative adjustment of 545 hours to account for a reduction due to a more current estimate (750 hours – 545 hours = 205 hours) and a program change of 80 hours to account for an increase in burden for the previously overlooked reporting requirements.

Item 14, Form OMB 83-I

There is no cost burden to report in Item 14 of Form OMB 83-I.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

The MMS will not publish the data.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

The MMS will display the OMB approval expiration date on Forms MMS-4295 and MMS-4109.

18. Explain each exception to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of Form OMB 83-I.

To the extent that the topics apply to this collection of information, we are not making any exceptions to the “Certification for Paperwork Reduction Act Submissions.”

B. Collection of Information Employing Statistical Methods

The agency should be prepared to justify its decision not to use statistical methods in any case where such methods might reduce burden or improve accuracy of results. When Item 17 on the Form OMB 83-I is checked “Yes,” the following documentation should be included in the Supporting Statement to the extent that it applies to the methods proposed.

This section is not applicable for this collection. We will not employ statistical methods in this information collection.